

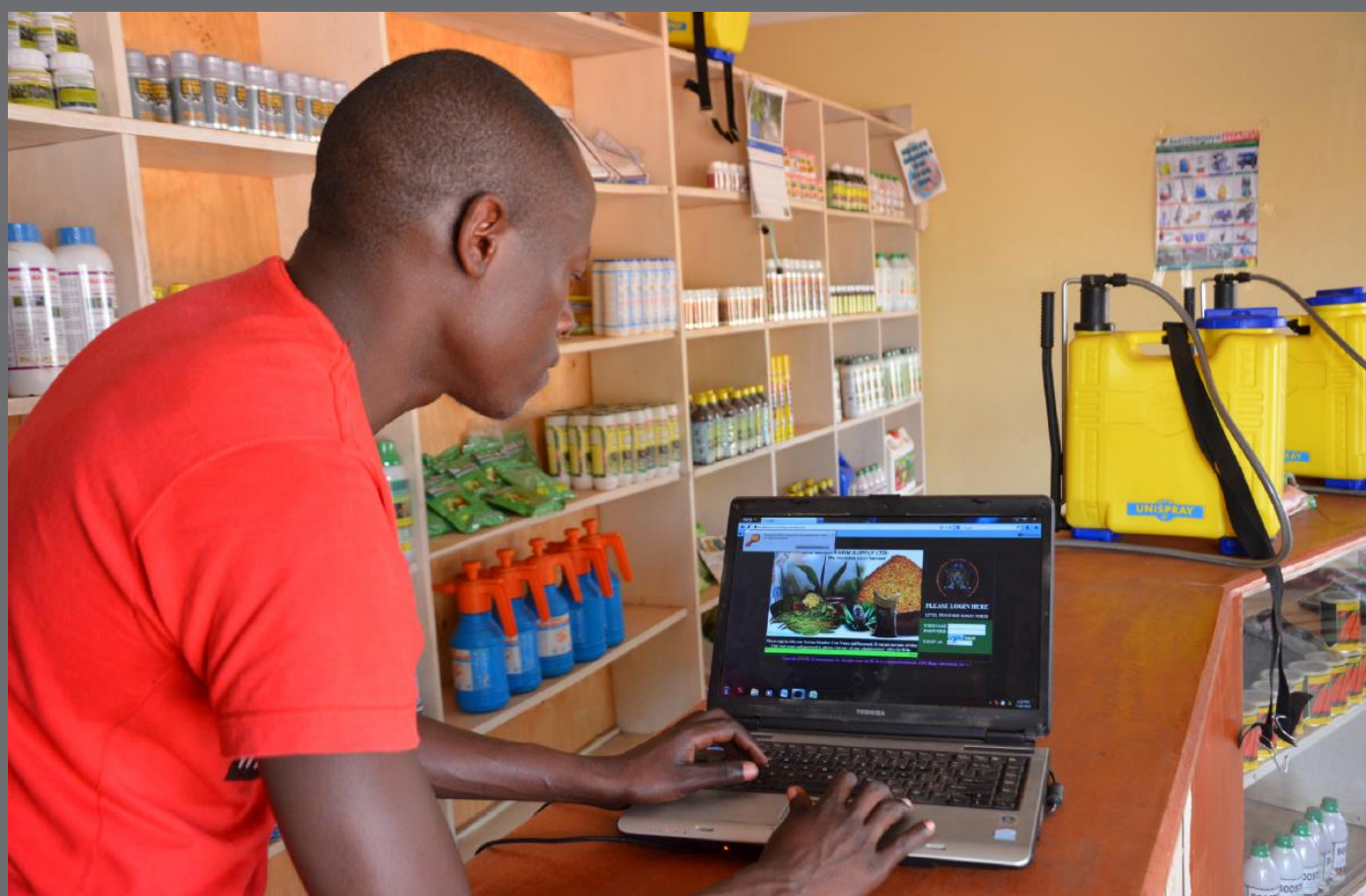


FEED THE FUTURE

The U.S. Government's Global Hunger & Food Security Initiative

Feed the Future Uganda Agricultural Inputs Activity

ANNUAL REPORT: October 2014 – September 2015



October 2015

This publication was produced for review by the United States Agency for International Development.

It was prepared by Tetra Tech ARD.



USAID
FROM THE AMERICAN PEOPLE

UGANDA

Photo Caption: With support from the Feed the Future Uganda Ag Inputs Activity, Joseph Kadoka of Ave Maria farm supply in Kamuli district purchased a computerized inventory and customer management system, which he uses to track stocks, customers etc. Joseph is just one of 3,678 youth supported by the Activity this year.

This report was prepared for the United States Agency for International Development.
Contract No. AID-617-C-13-00001, Feed the Future Uganda Agricultural Inputs Activity.

Implemented by:

Tetra Tech ARD
159 Bank Street, Suite 300
Burlington, Vermont 05401
Telephone: (802) 658-3890

Feed the Future Uganda Agricultural Inputs Activity

ANNUAL REPORT: October 2014 – September 2015

DISCLAIMER

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

CONTENTS

Contents.....	i
Abbreviations	ii
Executive Summary	iii
ACTIVITY ACHIEVEMENTS	1
Key Achievements This Year By Intermediate Result	2
Intermediate Result 1: Increased Availability of Agricultural Inputs.....	2
Intermediate Result 2: Decreased Prevalence of Counterfeit Inputs.....	3
Youth.....	5
Gender.....	5
PERFORMANCE AND KNOWLEDGE MANAGEMENT	6
Performance Management.....	6
Key Performance Indicators – Annual.....	7
Collaboration, Learning, and Adaptation (CLA).....	11
Strategic Assessment.....	12
Lessons Learned during Year 3.....	15
ACTIVITY MANAGEMENT.....	16
Challenges and Critical Constraints.....	16
Personnel Management	16
Subcontractors	16
Contract Modifications and Amendments	17
Deliverables During the YEAR	17
FINANCIAL MANAGEMENT	18
Annex 1: Progress M&E Summary Statistics.....	19
Annex 2: Revised Organization Chart	22
Annex 3: Feed the Future Uganda Ag-Inputs District Coverage Target Zones.....	23
Annex 4: Success Stories	24
<u>Annex 5: List of Ag Inputs Partners</u>	<u>31</u>

ABBREVIATIONS

aBi Trust	Agribusiness Initiative Trust
ACCB	Agro Chemical Control Board
ASI	Adam Smith International
B2B	Business to Business
BGS	Business Growth Specialist
BMGF	Bill and Melinda Gates Foundation
CLA	Collaboration, Learning, Adapting
CLAME	CropLife Africa / Middle East
CMS	Customer Management System
COP	Chief of Party
CSBS	Customer Service Business Strategies
DAO	District Agricultural Officer
DLG	District Local Government
DPO	District Production Officer
DOP	District Operational Plan
EMMP	Environmental Mitigation and Management Plan
ERICCA	Education Research and Innovation in Climate Change
GoU	Government of Uganda
ICT	Information and Communication Technology
ICTAU	The ICT Association of Uganda
IEE	Initial Environmental Examination
IR	Intermediate Result
IFDC	International Fertilizer Development Corporation
IFPRI	International Food Policy Research Institute
ISSD	Integrated Seed Sector Development
MAAIF	Ministry of Agriculture, Animal Industry, and Fisheries
M&E	Monitoring and Evaluation
MOU	Memorandum of Understanding
NAADS	National Agricultural Advisory Services
NARO	National Agricultural Research Organization
NSCS	National Seed Certification Services
PDP	Preferred Distributors Program
PMP	Performance Management Plan
PPP	Public-Private Partnership
SACCO	Savings and Credit Cooperative Organizations
SSP	Spray Service Providers
STTA	Short-term Technical Assistance
TIU	Transparency International Uganda
UBS	Uganda Bureau of Standards
UNADA	Uganda National Agro-dealers' Association
UNMA	Uganda National Metrological Authority
USAID	United States Agency for International Development
URA	Uganda Revenue Authority
URSB	Uganda Registration Services Bureau
USTA	Uganda Seed Trade Association
Y3	Year 3
Y4	Year 4

EXECUTIVE SUMMARY

The Feed the Future Uganda Agricultural Inputs Activity is a five year (2012 – 2017) USAID/Uganda-funded program to promote the responsible use of agricultural inputs in Feed the Future target districts. The goal of the Activity is to increase the use of high quality agricultural inputs in Uganda through increased availability of high quality inputs to farmers in Feed the Future focus districts, and decreased prevalence of counterfeit agricultural inputs. A seed sector strengthening component was added to the Activity in October 2014. This increased the total program budget by USD \$2.5 million, to a total of 10 million USD. During the third year of implementation, the Activity continued to use a facilitative approach, identifying and leveraging market forces to accelerate change in the agricultural inputs supply chain, to ensure sustainability and scale.

Highlights from FY 2015 include:

Intermediate Result 1: Increased availability of high quality inputs

- The Activity provided technical support to a total of 878 private sector firms in Y3 (up from 387 in Y2, exceeding the Y3 target of 480 firms).
- 255 private enterprises and associations applied new technologies or management practices as result of USG assistance (up from 193 in Y2, but slightly less than the targeted 288; this represents 29% of all businesses supported, and 89% of the Y3 target)
- 7,310 direct beneficiaries were reached this year, including 2,000 women (27% of all direct beneficiaries).
- 75% of agro-input firms reported no stock outs of critical products (hybrid maize seed, glyphosate and NPK fertilizer) this year, compared with 60% last year, exceeding the targeted 68%.

Intermediate Result 2: Decreased prevalence of counterfeit agricultural inputs on the market

- The toll free anti counterfeit hotline managed by Transparency International was widely promoted around the country this year, using mass media, posters and flyers. As a result of increased promotion, the number of calls received increased from 600 in Y2 to 7,724 in Y3 (12.8 times more calls), and an additional staff member had to be hired by TI to manage the increased number of calls.
- Mass media, public events, and interpersonal communications programs were widely utilized to educate farmers to identify counterfeit inputs, report them, and to demand quality inputs.
- Agro dealers were encouraged to formally register their businesses to decrease the presence of informal traders of counterfeit products, and were supported to comply with new business registration policies.
- 16 district level agro-dealer fairs were held in collaboration with USTA, UNADA and Crop life, during which time 590 agro-dealers were registered. Registered agro-dealers benefited from information on a wide range of new products and services. EEA and CPMA participated in these agro-dealer fairs.
- A Uganda Agro Inputs Web Platform is being developed with support from the Activity, in collaboration with Agri Experience, based in Kenya. The web platform will encourage greater transparency in the sector, providing the public with a wide range of information about input suppliers, registered products, new products and seed varieties in the market, and about agro-dealers in each locality.
- An e-Verification system will be officially launched in the first quarter of FY16. A PPP arrangement has been brokered between UNBS and mPedigree, while another private sector service provider is also offering a similar service independently, promoting competition for e-Verification services.

Seed Sector Strengthening

- Financial management training was conducted for 20 senior managers from 10 seed companies and 21 agro-dealers, using a hands-on financial simulation program developed by Lattice Consulting and Eco Ventures International.
- A field visit to Zambia and South Africa was organized for government and private sector representatives to learn about the advantages of private sector involvement in seed certification, to promote access to quality seed. EEA staff participated in the trip.
- Agro-dealer seed demonstrations, and company led seed demonstrations of drought tolerant and early maturing varieties were supported.

- A seed sector finance assessment was conducted, to design credit products to meet the needs of local seed companies.
- A feasibility study and business plan were developed for a private sector led seed certification system for Uganda. This activity was developed in collaboration with a US-based consulting firm, Heartland Global.

The Ag Inputs Activity worked very closely with EEA, ISSD, USTA and MAAIF in all of the seed sector work.

Youth: In Y3, 3,678 youth directly benefitted from Ag-Inputs activities (compared to 878 in Y2; a 400% increase). Most youth benefitted from Activity efforts to promote spraying services; entrepreneurial training/skills; energizing agro-inputs consumer networks; building resource networks of journalists in agricultural related issues; adopting customer management systems to improve agro-dealers' customer service practices; and linking business service providers to agro-input firms.

Gender: Over 2,000 women benefited from Activity programming in FY15 (up from 500 in Y2; a 400% increase), participating in consumer network meetings, business networking events, Ag-Content Cafés, marketing events and spray service demonstrations organized by agro-input suppliers and wholesalers. Women acquired product knowledge about suppliers' products, information about spray services, and were encouraged to demand better customer service, tailored to their specific needs.

Climate Change and Environmental Compliance: A workshop on climate change mainstreaming was implemented to support Masaka District actors. In addition, a training of Climate Change Champions was organized as a collaborative effort between ERICCA, EEA, CPMA, and the Ag-Inputs Activity. As a result of these and other efforts, the Activity increased the capacity of 82 target firms to adapt to climate change. In addition, the Activity trained Spray Service Providers (SSPs) and agro-business owners in the safe use and disposal of pesticides. The Activity also submitted a PERSUAP to USAID/Uganda.

Collaboration, Learning and Adapting: The Activity collaborated with over 50 organizations to implement interventions this year, and a specific effort was made to develop joint work plans and hold joint workshops and media events with sister Feed the Future programs CPMA and EEA. The Activity also developed a number of communication materials this year, including an Activity PowerPoint Presentation, a one page brief, and two videos (<https://vimeo.com/144152202>), to facilitate dissemination of best practices and lessons learned. Activity staff participated in three USAID-funded SEEP webinars (<http://www.seepnetwork.org/blog/systemic-me-tools-feed-future-uganda>), to share their experiences in monitoring systemic change. Finally, a strategic assessment was carried out by two market systems facilitation specialists in Quarter 3 2015, at the mid-point of Activity implementation. As a result of the assessment, the Activity reviewed and slightly revised its Theory of Change, and re-organized the Activity by thematic areas, to increase efficiency and focus. A revised PMP will be submitted to USAID reflecting these changes next quarter.

INTRODUCTION

The Feed the Future Uganda Agricultural Inputs Activity is a five year (2012 – 2017) USAID/Uganda-funded program to promote the responsible use of agricultural inputs in Feed the Future target districts. The goal of the Activity is to increase the use of high quality agricultural inputs in Uganda through:

- Increased availability of high quality inputs to farmers in Feed the Future focus districts by
 - Sub IR 1.1: Improved service quality through strengthened relationships along the inputs supply chain.
 - Sub IR 1.2: Increased demand for high quality inputs through marketing to farmers.
 - Sub IR 1.3: Increased awareness of improved inputs at national and local level through increased promotion.
 - Sub IR 1.4: Increased capacity of domestic agricultural inputs associations to serve their members
- Decreased prevalence of counterfeit agricultural inputs by
 - Sub IR 2.1: Strengthened capacity of firms to implement quality assurance programs such as e-Verification.
 - Sub IR 2.2: Increased coordination amongst the supply chain actors in ensuring product quality.

A seed sector strengthening component was added to the Activity in October 2014. This increased the total program budget by USD \$2.5 million, to a total of 10 million USD. The seed sector component is designed to achieve the following intermediate results:

- Increased quantity and quality of improved maize (30%) and bean (15%) seed on the market in Uganda
- Increased operational efficiency of seed companies and other multipliers to produce improved maize and bean seeds for entry into the market.
- Increased numbers of farmers able to access improved varieties of maize and bean seed.

During the third year of implementation, the Activity continued to use a facilitative approach, identifying and leveraging market forces to accelerate change in the agricultural inputs supply chain, to ensure sustainability and scale. Activities are implemented in close collaboration with a range of implementing partners including the Feed the Future Uganda Enabling Environment Activity (EEA), the Feed the Future Commodity Production and Marketing Activity (CPMA), the Uganda National Agro-dealers' Association (UNADA), CropLife, the Uganda Seed Traders' Association (USTA), UNFFE, Café Africa, the International Fertilizer Development Corporation (IFDC), the National Cooperative Business Association (CLUSA), District Local Governments (DLG), and various Government Ministries, in addition to private sector suppliers and agro-dealers.

ACTIVITY ACHIEVEMENTS

KEY ACHIEVEMENTS THIS YEAR BY INTERMEDIATE RESULT

Intermediate Result 1: Increased Availability of Agricultural Inputs

Key issues addressed in Y3 include weak relationships among supply chain actors, farmer knowledge gaps on agricultural inputs, climate change issues, and financial constraints.

Strengthening Relationships throughout the Inputs Supply Chain: 20 agro-input suppliers (seed, agrochemical and equipment suppliers) and wholesalers were supported to strengthen incentive – based relationships with their preferred distributors. These suppliers organized 12 product knowledge trainings and 11 equipment drives for their distributors, and wholesalers jointly held 15 marketing and promotional events with preferred retailers. Results include:

- Fewer agro-input firms experienced stock-outs of critical products, which decreased from 68% in Y1, to 40% in Y2, and 25% in Y3. These results stem largely from improved communication between wholesalers and retailers, and also from the adoption of improved inventory and customer management practices.
- A total of 7,310 beneficiaries were reached in Y3, including agro-dealers and suppliers through promotional drives and other avenues. This new indicator was added this year, at the request of USAID.
- The Activity provided technical support to 878 private sector firms in Y3, which represents a major increase over the number of firms reached in Y2 (387). The major reason for this success was the agro-dealer fairs, which facilitated the registration of a number of new agro-dealers.
- Investments by private sector businesses rose from \$14,986 in Y2 to \$41,195 in Y3. We expect this figure to increase even more once the e-Verification system is fully functional.

To further strengthen relationships, wholesalers improved their customer management systems and leveraged them to disseminate SMS promotions and to support marketing and promotional events. The Activity provided technical support to businesses to encourage them to use customer data for management decisions and business operations. 48 wholesalers and 12 retailers were supported to improve records management systems, practice customer segmentation, and utilize records for business growth.

The Activity also promoted other value added services. 12 suppliers and wholesalers added spray services to their businesses, to maximize customer satisfaction and productivity. A total of 35 spray service providers (SSPs) were deployed by wholesalers to provide spraying services to farmers. The Activity provided SSPs with technical assistance and supported them to acquire personal protective and spray equipment.

- SSPs in Mubende and Kapchorwa districts acquired high capacity motorized spraying equipment from Ssembeguya Estates and received technical support from suppliers.
- Four equipment suppliers fully integrated the promotion of spray services in their marketing strategies, which they have been promoting as they extend technical support to wholesalers and SSPs.

Access to Information – Farmers and Ag-Input Businesses: 15 rural radio stations around the country continued to air weekly agribusiness programs, covering different topics including counterfeits, climate change, agro inputs safe use and regulation, spray services, and gender. It was clearly evident that reporters have increased interest in agro inputs. Different media companies including regional and national media houses covered and reported about agro inputs this year in print, TV, and radio¹. A 10-minute video about the financial simulation training was produced and uploaded onto drop box². Two additional rural radio stations, radio WA in Lira and

¹ Examples of media coverage:

<http://www.monitor.co.ug/Magazines/Farming/-Progress-fight-against-fake-seeds/-/689860/2862736/-/7iqmu2z/-/index.html>

<http://www.newvision.co.ug/news/670255-eastern-region-launches-project-to-fight-fake-farm-inputs.html>

<http://observer.ug/business/38-business/36359-farmers-decry-fake-inputs-demand-extension-services>

<http://www.monitor.co.ug/Magazines/Farming/How-farmers-can-avoid-buying-fake-agro-inputs/-/689860/2580176/-/iytb20z/-/index.html>

² https://www.dropbox.com/s/7x5ciwg1sp89rpx/VTS_01_1.VOB?dl=0

Voice of Kigezi in Kabale were mentored on audience-led programming and each introduced an agro-business program on their respective stations.



Buddu FM in Masaka region is a partner radio station with a weekly agribusiness audience-led consumer protection program.

Interpersonal communications networks, such as business networks, consumer networks, and ag-content cafes continued to be utilized to reach different audiences (farmers, agro input businesses and journalists). 32 networking events were held in which stakeholders from different sectors met and shared experiences about business practices, such as customer management practices, preferred distributor programs, climate smart practices, and the safe use of agro inputs.

The ICT Association of Uganda (ICTAU) organized an ICT clinic bringing together 22 service providers to demonstrate their ICT solutions, including communications, payment and operations services and products.

The Activity also collaborated with seed companies and agro-dealers to demonstrate the value of quality seed, as well as drought and disease tolerant varieties. Highlights include:

- 14 interested agro-dealers carried out bean demonstrations in the first season, comparing new varieties. Seed was provided by five seed companies.
- In September 2015, sub-contracts were signed with five seed companies, Otis Garden Seeds, FICA, Pearl Seeds, Grow More Seeds, and Simlaw Seeds to set up farmer demonstrations for drought tolerant maize varieties, carry out promotions, and train agro-dealers on product knowledge and business planning.

Climate Change Adaptation: To strengthen climate change adaptation, the Activity collaborated with CPMA, EEAA, ERICCA, LWR, DENIVA and NARO. A series of trainings were jointly conducted for a cadre of 80 Climate Change Champions; 33% of whom were women. The champions were drawn from district and local government, producer organizations, media houses, youth organizations, and extension service providers. During these trainings, champions were exposed to climate change science and are incorporating what they've learned into their organizations and businesses.

In addition, the Ag-Inputs team collaborated with a number of suppliers to expose farmers, local government officials, and agro dealers to practical and affordable solutions to climate change induced drought including drought resistant varieties, irrigation technology, and climate smart coffee production practices. One result of these promotions was that Mbuye Farm School, the beneficiary of an exchange visit, incorporated climate smart farming technologies in their school syllabus. Major seed companies are increasingly promoting the use of drought tolerant maize varieties.

As a result of an Ag-Inputs initiative, the Uganda National Meteorology Authority (UNMA) regularly sends weather forecasts and advisories to agro input businesses, district local government officials, and interested stakeholders via email. Six local FM radio stations that the Activity trained on audience-led programming continue to regularly disseminate weather information that they receive from UNMA.

Intermediate Result 2: Decreased Prevalence of Counterfeit Inputs

E- Verification: The Activity facilitated several meetings and linkages between UNBS, potential service providers, and MAAIF, which eventually led to collaboration between UNBS, mPedigree, an experienced e-Verification service provider from Ghana. Collaborating service providers pitched their e-Verification schemes and communicated the value of the approach to potential users, and have started signing clients. Additionally, as a result of market research conducted by the Activity, interest in e-Verification was stimulated, and some companies engaged Brand ID, another competitive service provider, on their own initiative. Y3 results include:

- UNBS and mPedigree reached an understanding to establish an e-Verification system to reduce counterfeits. A meeting between MAAIF and UNBS was organized by the USAID/Uganda Mission to define inter-government agency responsibilities for monitoring and enforcing the quality of goods which are included in the e-Verification system.

- Service providers are currently engaging suppliers to commit and sign up to use the scheme in the first season of 2016. The scope of work for the e-Verification awareness and publicity campaign has been finalized and a media firm identified to design the public education campaign that will take place in Q1 of FY 2016

Anti-Counterfeit Hotline: The anti-counterfeit hotline (0800 280 280) managed by subcontractor Transparency International Uganda (TIU) continued to reach out to farmers all over the country. Stakeholders, such as farmers and agro-input firms, are increasingly aware of the hotline and have been calling into the hotline. Increased publicity resulted in a significant increase in the number of calls, from 600 in Y2 (164³ of which were actual complaints) to 7,724 calls in Y3 of which 2,503 were actual counterfeit complaints. The source of callers reporting counterfeits expanded from just the Buganda region in Y2 to national coverage with calls from more than 30 districts in Y3.

Table 1: Anti-Counterfeit Hotline Promotion

Indicator	Value
Number of bumper stickers distributed to farmers	17,000
Number of anti-counterfeit posters distributed to agro dealers (A2-sized)	3,000
Number of radio stations promoting the hotline three times a day, per week	12
Pull-up banners providing information about the hotline	2

TIU established an advisory council to recommend improvements to the hotline, and encourage dissemination of reports and stories. One key recommendation from the council was to continuously engage relevant stakeholders, especially MAAIF and local government to enforce anti-counterfeit regulations, while efforts to educate farmers about counterfeits and to demand and source quality inputs continue. All agro dealers supported by the Activity have displayed stickers promoting the anti-counterfeit hotline in their businesses, an action solidifying their role as champions against counterfeit agricultural inputs. Due to the robust radio campaign, radio was reported more frequently than any other

medium as the source of information about counterfeit inputs. 86% of callers reported learning about the TIU hotline from the radio.

Web Platform: The Activity commissioned Agri Experience, an ICT firm from Kenya, to design Uganda's first Agro Dealers web-based platform. The web platform is being adopted as a major output of the National Agro-Inputs Stakeholders Platform. Data was collected by USTA, UNADA, and CropLife. The development of the web based platform will continue into FY 2016 and the three associations have agreed to maintain and manage the web platform after it has been launched, ensuring its sustainability. This platform will enable farmers to access information about agro-dealers and relevant products.

As a result of business networking meetings, district-level agro-dealer associations have been established in six districts - Mubende, Mityana, Kapchorwa, Bulambuli, Masaka, and Kasese. These associations compliment the work of national level associations by developing customized and localized member services that address the critical needs of local members. Some of these associations have developed and are enforcing a code of conduct for their members, such as GREMADA in Masaka, and the Mubende Agro Dealers Association.

Seed Quality: The Activity was approached by Chemiphar, the only ISTA certified laboratory in Uganda, and UGOCERT, a private sector organic certification company, to develop a partnership to provide private seed certification services in Uganda. Chemiphar and UGOCERT submitted a proposal to develop a business plan to determine the financial and technical feasibility of the idea. Ag-Inputs commissioned a feasibility study through a US based consulting firm, Heartland Global.

To set the stage for greater private sector involvement in seed certification in Uganda, a learning and exposure visit was organized to Southern Africa. In July 2015, 11 participants from MAAIF (3), the Parliament of Uganda (1), seed companies/USTA (2), Chemiphar (1), UGOCERT (1), and Feed the Future Uganda Enabling Environment Activity (1) visited the Seed Control and Certification Institute in Zambia, the South African National Seed Organization (SANSOR), and other seed companies and related institutions and stakeholders. The team learned excellent lessons on the value of public private partnerships in seed certification.

³ The balance of the calls were requests for general information about counterfeits or for assistance with particular production problems.

As a result of the visit, a steering committee including representatives from MAAIF, Chemiphar, UGOCERT, Ugandan seed companies, and development partners was established to formulate a plan to operationalize the application of lessons learned to the Ugandan context. An EEA seed consultant provided input to the committee.

YOUTH

In Year 3, the Activity supported entrepreneurial youth to improve their agro-input knowledge and to grow their agro-input businesses, providing new services to farmers, participating in new radio programs, and creating demand for ICT services. Overall, 3,678 youth (male and female) were directly involved in these activities. Through 10 local and 2 regional radio stations, audience-led, agricultural-related programs and consumer protection programs reached over four million listeners each week; of which many were youth.

In addition, the Activity worked closely with institutions of higher education to place student interns with agro-input dealers and other stakeholders. 49 interns were placed in Y3.

GENDER

The process of increasing women's access to and utilization of agro-inputs is two-fold. First, agro-input firms need to recognize that attracting and retaining customers is a rewarding and lucrative business strategy. Customer service business strategies (CSBS) increase agro-input use by men and women. Second, agro-input firms need to recognize that women are a sufficiently different customer segment, requiring different customer service strategies to address their concerns, behaviors, and requirements. The Activity encourages firms to adopt and adapt CSBS for women customers. Despite this encouragement, the practice of targeting business services to specifically address women's needs is not yet widely practiced. Businesses are still honing their marketing and communication skills, and counterfeit issues and other business challenges absorb much of their time and effort.

In Year 3, the Activity was more effective capturing gender disaggregated data, in order to understand Activity impacts and improve performance. Over 2,000 women benefited from Activity interventions, including consumer network meetings, business networking events, Ag-Content Cafés, marketing events and spray service demonstrations organized by agro-input suppliers and wholesalers. Women acquired product knowledge about suppliers' products, information about spray services, and were encouraged to advocate for better customer service. This was a dramatic increase from 500 women reached in Y2. As of Q3 FY 2015, 819 business women and agro-dealers were supported to strengthen business practices and to adopt and/or promote climate-smart

A JOINT ONLINE PLATFORM TO FIGHT COUNTERFEIT AGRO INPUTS

The fight against counterfeit ag-inputs in Uganda is branching out into cyberspace. Three umbrella organizations representing agricultural input businesses are joining forces to develop an innovative on-line platform or web portal that will increase transparency in the sector and promote genuine agricultural input businesses and products in Uganda, with support from the Feed the Future Uganda Agricultural Inputs Activity. The champion industry associations are Uganda Seed Trade Association (USTA), Uganda National Agro Input Dealers' Association (UNADA), and CropLife Uganda. The idea is to promote information sharing which will



lead to increased access and availability of quality agro-inputs and decrease the prevalence of counterfeits in the Ugandan Market. The web portal will bring together farmers, financial institutions, agro dealers, seed companies, and researchers in an online forum to increase information flow and knowledge sharing about the sector.

"This will be a one stop center for agricultural input players to interact, market their products, and share innovations and research. This way, it will be easy to isolate players that sell fake inputs," explains Mr. Nelson Masereka, USTA Executive Secretary.

farming practices.

PERFORMANCE AND KNOWLEDGE MANAGEMENT

This section describes achievements and progress towards targets in the Performance Management Plan (PMP), and outlines adjustments made as part of our Collaboration, Learning and Adaptation (CLA) approach.

PERFORMANCE MANAGEMENT

Performance against expected results (i.e. increasing the availability of high-quality agro-inputs to farmers, and decreasing the prevalence of counterfeit agricultural inputs) is summarized in this section. Insights regarding key achievements by Intermediate Result and indicator, and as well as an overview of related changes in the wider agro-inputs environment are also described.

Table 2: Summary of Year 3 Annual Results for PMP Indicators

	Indicator	Base-line	Actual Y1	Actual Y2	Actual Y3	Target Y3	% Achieved
IR 1: Increased availability of high quality inputs to farmers in focus districts							
1.0.3	Percentage of firms that had no stock out of the three key inputs (maize seed, NPK fertilizer and Glyphosate 48% chemical) during the farming season.	32%	32%	60%	75%	68%	110% ⁴
1.0.5	Number of private enterprises, producer organizations, water users associations, women's groups, trade and business associations, and CBOs receiving USG assistance.	0	61	387	878	480	183%
1.0.6	Number of private enterprises producer organizations, water users associations, women's groups, trade and business associations, and CBOs that applied new technologies or management practices as result of USG assistance.	0	38	193	255	288	89% ⁵
1.0.7	Percentage increase in the production of certified Hybrid maize seed <i>Will be tracked in Y4</i>		NA	NA	NA	NA	NA
1.0.8	Percentage increase in the production of certified OPV maize seed <i>Will be tracked in Y4</i>		NA	NA	NA	NA	NA
1.0.9	Percentage increase in the production of certified bean seed <i>Will be tracked in Y4</i>		NA	NA	NA	NA	NA
1.1.2	Number of individuals who have received USG supported short-term agricultural sector productivity or food security training	0	167	502	788	650	121%
1.1.3	Value of new private sector investment in the agriculture sector or food chain leveraged by Feed the Future implementation	0	\$10,864	\$14,986	\$41,195	\$49,440	83%
1.1.4	Number of firms (excluding farms) engaged in agricultural and food security-related manufacturing and services now operating more profitably (at or above cost) because of USG assistance	0	5	97	163	144	113%
1.1.5	Number of stakeholders with increased capacity to adapt to the impacts of climate variability and change as a result of USG assistance	0	7	24	82	90	91%
1.2.1	Total number of marketing and promotional activities implemented by targeted firms as a result of USG assistance	0	66	335	587	420	140%
1.2.3	Number of small holder farmers served by assisted seed sector enterprises or financial institutions <i>Will be tracked in Y4</i>	0	NA	NA	NA	NA	NA

⁴ Uganda has two agricultural seasons per year. The stock out indicator is an annual indicator that is monitored on a quarterly basis. The objective is for 68% of target firms to have no outages of key inputs at **any time during the year**. This number varies over the year as target firms may experience stock outs for a product that is not normally stocked or demanded at a specific time of year depending on the agricultural calendar. Combining results from four quarters, 75% of target firms did not experience stock outs at any time in the year.

⁵ A large proportion of new benefitting entities were engaged in the second half of the year, and it was not possible to follow up to identify areas of adoption for all of them at year end.

	Indicator	Base-line	Actual Y1	Actual Y2	Actual Y3	Target Y3	% Achieved
1.2.4	Number of farmers/ beneficiaries reached as a result of USG assistance	New	NA	NA	7,310	NA	NA
1.3.1	Total number of informational messages disseminated through the various communication channels about nutrient depletion, saved seed degradation and the potential of improved inputs by targeted firms.	0	0	62	173	136	127%
1.4.1	Number of new/continuing services provided by the association to their members as a result of USG assistance.	0	0	2	14	16	88%
1.4.2	Percentage of target firms that are satisfied with the association services.	13%	13%	38%	40%	63%	63%
IR 2: Decreased prevalence of counterfeit agricultural inputs							
2.0.1	Percentage of targeted firms perceiving fewer counterfeits on the market compared with the past year.	41%	41%	77%	64%	80%	80%
2.1.1	Percentage of targeted firms participating in genuine product assurance schemes.	44%	44%	35%	65%	50%	130%
2.2.1	Percentage of targeted firms that are satisfied with their suppliers' responsiveness to counterfeits.	14%	14%	42%	49%	59%	83%

Key Performance Indicators – Annual

Indicator 1.0.3 Percentage of firms that had no stock-outs of key inputs (maize seed, NPK 17:17:17 and Glyphosate 48%).

In Y3 three quarters of target firms (75%) had all three major types of inputs available throughout the year. This is a significant improvement from 60% in Y2 and 24% in Y1. Increased coordination and communication between wholesalers and retailers is largely responsible for this improvement, coupled with adoption of improved inventory and customer management practices, and access to finance.

Indicator 1.0.5 Number of private enterprises, producer organizations, water users associations, women's groups, trade and business associations, and CBOs receiving USG assistance.

In Y3 the Activity provided assistance to **878** firms, surpassing the annual target of 480 firms. The Activity organized 16 agro-dealers fairs which attracted many new agro-input dealers from various districts, accounting for this increase. Participating agro-dealers were exposed to a range of new technologies and services, including knowledge about improved seed varieties and agro-inputs, and USAID and GOU-approved agro-chemicals and safe ways to use them. Participants formed relationships with new suppliers, and ICT and financial service providers. Anti-counterfeit approaches were also discussed and demonstrated. The significant increase in the number of firms reached over a short time period resulted in a proportional drop in the number having adopted new business management practices, as end of year follow up with all firms was not possible. Eleven seed companies also received financial management training.

Table 3: Cumulative Number of businesses supported and number applying new management practices.

Type of firm	No. supported by the Activity				No. applying new business management practices			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Seed Companies	4	6	11	12	2	4	4	6
Chemical Companies	2	3	5	5	2	3	5	5
Equipment Companies	2	2	5	6	1	2	5	6
Retailers/Wholesalers	123	201	508	704	80	98	148	166
Industry Associations	1	3	5	5	1	3	5	5
Farmer Groups	1	9	9	9	0	0		2
Youth Groups	1	1	1	1	0	0		0
Media Firms	12	54	54	57	8	18	18	33
ICT firms	17	18	30	33	5	5	5	9
Financial Institutions	7	9	9	17	1	1	1	13
Tertiary Institutions	16	20	20	20	4	5	5	6
BDS				9				4
Total	186 (39%)	326 (68%)	664 (138%)	878 (183%)	104 (36%)	139 (48%)	196 (68%)	255 (89%)

Indicator 1.0.6 Number of private enterprises, producer organizations, water users associations, women's groups, trade & business associations, CBOs that applied new technologies/ management practices as a result of USG assistance.

255 firms applied new management practices this year. New practices introduced included Customer Management Systems, business registration with support from Uganda Registration Services Bureau, organization of seed demonstrations for farmers (particularly bean seeds) with support from seed companies, improved financial management systems, and marketing and promotion/extension advice and technology demonstrations.

Indicator 1.1.2 Number of individuals who have received USG supported short-term agricultural sector productivity or food security training

Table 4: Individuals Trained in Year 3

Training Type	Repeats	Actual
Q1		
Radio Mentorship	1	33
Q2		
Customer management training	1	9
Product knowledge training	6	372
Profitable maize production	1	63
Q3		
Pest control and safe use training	27	171
Bean seed demonstration training	6	8
Financial literacy/Experiential training		32
Q4		
Climate change champions	33	88
Financial simulation training	9	12
Annual	84	788

Indicator 1.1.3 Value of new private sector investment in the agriculture sector or food chain leveraged by Feed the Future Activity implementation

Agro-dealers and suppliers of agro-inputs invested approximately \$41,195 US dollars this year in their businesses. Significant investments were made in demonstrations, marketing and promotion of agro-inputs, including improved seeds and equipment, mainly by agro-input suppliers. Other businesses invested in internship programs and business improvement processes.

Indicator 1.1.5 Number of stakeholders with increased capacity to adapt to the impacts of climate change as a result of USG assistance.

Q4	
Business Type	#
Wholesalers	23
Media Firms	11
Seed company	6
Organizations	42
Total	82

Eighty two stakeholders promoted the use of climate smart practices this year. Seed companies sponsored demonstrations of drought tolerant and early maturing varieties, and agro-input firms promoted the adoption of these varieties. Equipment suppliers demonstrated improved irrigation systems in collaboration with selected wholesalers, and shared their technical knowledge. Radio stations accessed weather and climate change information, and integrated it into their programming. Educational institutions added curriculum on climate change. Climate change champions were trained and lobbied for greater local government involvement in capacity building and forward planning.

Indicator 1.2.1 Total number of marketing and promotional activities implemented by targeted firms as a result of USG assistance.

587 marketing and promotional events were implemented this year. Businesses utilized SMS platforms and radio to market their products and services. Joint marketing and promotional activities were organized by suppliers and wholesalers, along with demonstrations and field visits. Suppliers participated in a large number of agriculture fairs

and coffee shows organized by various institutions targeting information dissemination to farmers, in addition to the agro-dealer fairs organized by the Activity.

Indicator 1.3.1 Total number of informational messages disseminated through various communication channels about nutrient depletion, saved seed degradation and the benefits of improved inputs by targeted firms.

The Activity continued to support radio stations through audience led programs to disseminate messages about the benefits of using improved inputs, and how to use them most effectively. This year, 173 programs were aired by 12 radio stations supported by the Activity, exposing farmers to new information about agro-inputs. Radio stations continued to engage listeners' groups and farmers' associations, to facilitate access to information about new farming practices and cost effective ways to access quality inputs. Radio stations report that the popularity of agricultural and listener led programs has increased their popularity and listenership.

Indicator 1.4.1 Number of new or continuing services provided by associations to their members as a result of USG assistance.

To date, the Activity has supported three national associations (UNADA, USTA, and CROPLIFE) and six local agro-input associations, including

1. the Greater Masaka Agribusiness Development Association (GREMADA⁶)
2. Mubende Agro-Input Dealers Association
3. Kapchorwa Agro Dealers Association
4. Bulambuli Agro-Input Dealers Association
5. Mbale Agro-Input Dealers Association
6. Manafwa Agro Dealers - UNADA branch

These associations have cumulatively provided 14 member services including:

1. capacity building (training members in safe use and handling of agro-inputs),
2. provision of agro-input safety equipment,
3. business tours to learn about climate smart agriculture techniques,
4. promotion of climate mitigation products such as irrigation equipment,
5. registration for online marketing,
6. developing a membership code of conduct,
7. organizing business registration with Uganda Registration Services Bureau,
8. technical guidance to develop business proposals,
9. joint promotion and marketing,
10. joint planning,
11. bulk purchases,
12. organizing election of association leaders,
13. developing credit programs, and
14. sharing compliance materials such as local government registration procedures

The online web platform will be an additional member service to promote to national association members, but it won't be fully operational until early 2016.

Youth: In Y3, a total of 3,678 youth (both men and women) were exposed to new practices and technologies, such as mobile money platforms and digital financial service packages, which is nearly four times more than were reached in Y2. This is the result of a more intentional effort to track and report on youth, following a USAID-organized workshop on youth engagement with all USAID/Uganda partners, and also as a result of increased media and outreach events.

Gender: 2,118 farmers, businesswomen and women agro-dealers were supported to strengthen business practices and to adopt and/or promote climate-smart practices in Y3. More women were reached this year during agro-business fairs, and as a result of increased media and outreach events.

⁶ It is important to note that GREMADA is the new name for ADDECCO following the association registration exercise.

In addition to PMP indicators, the project established intermediate outcomes with targets for each project team (Role Models, Support Systems and Networks and Noise). These combined outcomes contribute to the achievement of PMP indicators. These outcomes, targets and, achievements are summarized in Annex 1.

Systemic M&E Findings

As a result of systemic data collected and analyzed during Year 3, the team uncovered important dynamics in the agro-inputs industry that described progress towards systemic change in the industry. The team discovered that agro-dealers have highly inconsistent relationships with their suppliers from season to season, and agro-dealers make low level changes in business practices from season to season.

With network analysis data collected in Season 1 and Season 2 of 2014, the team was able to compare who transacted with whom across the two seasons. Table 4 indicates that agro-dealers change their suppliers from season to season at a surprisingly high rate. For example, in Season 2, agro-dealers purchased from a supplier who they had not purchased from in Season 1 45% of the time. This is important given that the Activity aims to improve relationships throughout the supply chain.

Table 5: Supplier-Wholesaler Relationships in Season 1 and 2 of 2014

Relationships	Season 1 2014	Season 2 2014
Total number of supplier-wholesaler relationships recorded	1363	1510
# of relationships that were listed in both first and second season	833 (61%)	833 (55%)
# of relationships in the first season that did not appear in the second season	530 (39%)	N/A
# of relationships in the second season that did not appear in the first season	N/A	677 (45%)

The team then structured an investigation to determine why this “churn rate” of transactional relationships was so high. A sample of agro-dealers were revisited and were asked why they added or dropped specific suppliers between Season 1 and Season 2. In summary, the major reasons are presented in Table 5 below.

Table6: Reasons to Add or Drop Suppliers

Top Reasons to Add New Suppliers	Top Reasons to Drop Previous Suppliers
New product or new company came on the market	Company raised prices
Products that were previously not in stock came back in stock	Products were now out of stock
Customers were expressing demand for a certain product	Products were no longer being demanded by customers
Company began offering delivery to the shop	Company stopped delivering, or did not offer delivery
Agro-dealer did not have adequate records, and forgot to mention supplier during data collection.	Agro-dealer did not have adequate records, and forgot to mention supplier during data collection

Beyond the data collected from Activity target firms, the team collected data from many agro-dealers on how their business practices changed from season to season. Table 6 shows that most agro-dealers did not indicate any change in business practices between Season 1 and Season 2, although most target firms (62%) reported changes to their business practices between seasons.

Table 7: Firms with No Changes to Business Practices

	# firms with no changes	% firms with no changes
All firms (258)	159	62%
Target firms (47)	18	38%

Still, 99 agro-dealers did indicate incremental changes to their businesses, including 19 that began offering farmer trainings; 18 that launched new promotional activities such as radio ads; and 16 that improved their financial management practices in some way.

The next step was to conduct a qualitative investigation to determine how many of these changes by non-target firms could be traced to the Activity, which would suggest if crowding in (secondary adoption) was occurring. This investigation showed that the Ag-Inputs Activity directly influenced 15.6% of non-target firms who did make changes, which is 6% of the overall number of agro-dealers surveyed (including those who did not make changes).

Despite the Activity's considerable effort at changing the practices and behaviors of agro-dealers and strong progress on its PMP indicators, these findings pointed towards a need to review strategy and to ask challenging questions about the Activity's approach to change. These results directly fed into the strategic assessment design, described in greater detail in the CLA section below.

Collaboration, Learning, and Adaptation (CLA)

Collaboration

The Activity collaborated with a wide range of stakeholders this year. Some examples include:

- Bean seed demonstrations conducted by target agro-dealers were organized in collaboration with the Feed the Future Uganda Commodity Production and Marketing Activity (CPMA) and a number of seed companies. The Activity is also collaborating with Lutheran World Relief on a new bean seed project funded by AgResults (a joint initiative of the governments of Australia, Canada, DFID, USAID and the Bill and Melinda Gates Foundation).
- Equipment demonstrations were jointly supported by the Ag Inputs Activity and the Commodity Production and Marketing Activity, both of whom actively participated in the Masindi District Agriculture fair, sponsored by the East African Grain Council.
- Mobilization for participation in 16 agro-dealer fairs by the Commodity Production and Marketing Activity, Caritas, Hanns Neumann Stiftung, UNADA, USTA, and CropLife, in close collaboration with local government.
- A workshop on climate change mainstreaming was implemented in partnership with Education Research and Innovation in Climate Change (ERICCA), VI Agroforestry, Hanns Neuman Stiftung, Caritas, and NARO to support Masaka District Departments. Similarly, the training of Climate Change Champions was a collaborative effort by ERICCA, the Feed the Future Uganda Enabling Environment Activity, the Commodity Production and Marketing Activity, and the Ag-Inputs Activity.
- An anti-counterfeit summit hosted by the Enabling Environment Activity was attended by five staff members from the Ag-Inputs team. The summit brought together three industry associations - UNADA, USTA, and CropLife - and the Uganda National Farmers Federation (UNFE) to discuss the issue, and to develop strategies to address counterfeit inputs. The Ag-Inputs team will strengthen these partnerships in Y4, launching a national anti-counterfeit campaign in collaboration with UNFE, UNADA, CropLife, USTA, EEA, CPMA, UBS, MAAIF, district and local governments, and other implementing partners.
- The Commodity Production and Marketing Activity, the Enabling Environment Activity, and the Ag-Inputs Activity organized an Insights Discovery Training for their respective staff, and held an event to improve internal communication and collaboration between teams.

Learning and Adaptation

- Quarterly staff review meetings form an essential basis for documenting learning, experience sharing, and refining implementation strategies based on lessons learned.
- Internal staff capacity building events were held including training in seed sector interventions, M&E, communications, writing skills, organizing demonstration events, experiential learning through simulation games, and the Insights Discovery training.
- In order to foster learning within the Activity, there was continued utilization of After Action Reviews (AARS) written by staff after all events. These are shared via email and staff preparing similar events are able to learn from each-others' experiences.
- The Activity organized a mid-point strategic assessment workshop in July 2015 to assess progress to date along the various entry points in the agro-inputs value chain and corresponding Activity outcomes. A description of the process and results are described in the following section.
- In June and July 2015, the Activity organized a series of SEEP webinars to share lessons learned and promising practices with regards to systemic and progress M&E, to support market systems facilitation efforts (<http://www.seepnetwork.org/using-systemic-m-e-tools-in-feed-the-future-uganda-events-279.php>)

Strategic Assessment

The strategic assessment evaluated the underlying causes of and factors affecting current performance, with particular attention to the contributing role of strategy, tactics, and organizational structure. The methodology blended qualitative interviews with market actors, staff observations, and existing M&E data from the Activity. As a result of strategic assessment findings, the team revised its theory of change and prioritized interventions that aim to change the “rules of the game” in the agro-inputs industry (these adjustments are discussed in more detail in the strategic assessment report, and the Year 4 Annual Work Plan, available on DEC:

<https://dec.usaid.gov/dec/content/Detail.aspx?ctID=ODVhZjk4NWQtM2YyMi00YjRmLTkxNjktZTcxMjM2NDBmY2Uy&rID=MzY4MDEy>). This resulted in the reorganization of interventions into six areas of strategic importance, to change the incentive structure in the agricultural inputs sector. Realigned outcomes include:

- 1) A national anti-counterfeiting campaign;
- 2) A collaborative effort to encourage legal compliance with agro-inputs registration policies and procedures, and to raise barriers to enter into the ag-inputs space;
- 3) A grassroots campaign to demand enhanced enforcement of the Agro-Chemical Control Act and the resulting professionalization of agro-chemical sales and spray service provision;
- 4) A collaborative effort to enhance access to finance by value chain actors;
- 5) Research into alternative distribution models to streamline distribution and improve efficiency in the sector; and
- 6) Private sector seed certification to meet COMESA Regional Seed Harmonization requirements.

Progress in each of these thematic areas through Quarter 4 of FY 2015 is summarized below.

Thematic Area 1: Anti-Counterfeit / Demand for Quality

The Activity met with different stakeholders, including the Enabling Environment Activity, the Uganda National Farmers Federation (UNFF) and other implementing partners to gather their views about partnering with a wider coalition of stakeholders to plan and coordinate efforts to fight against counterfeits.

Ag Inputs held a stakeholders anti-counterfeit coordination meeting, building on the anti-counterfeit summit that was hosted by the Enabling Environment Activity earlier in the year. Stakeholders agreed to a national campaign on counterfeit inputs, and to collectively work to increase farmer demand for quality inputs. The Uganda National Farmers' Association agreed to take the lead, with their natural role of reaching out to farmers through their respective district farmers' associations. During Y4, concerted efforts by coalition members will focus on a media campaign to educate farmers to identify and report counterfeits, and to demand quality inputs and enforcement by local government; to develop district level bylaws and ordinances against counterfeits; and to advocate the MAAIF, Ministry of Trade, Information and Cooperatives (MTIC), and the Ministry of Justice and Constitutional Affairs (MJCA) to approve regulations to implement existing seed and agro-chemical acts and to pass the Counterfeits Bill. A letter encouraging the MAAIF Permanent Secretary to pass regulations was drafted and signed by all participating institutions.

Anti-counterfeit coalition efforts have also been initiated at the district level in most areas where Ag Inputs is operating, with the strongest one in the Regional Coalition of Eastern Uganda.

Thematic Area 2: Compliance

In Y3 a number of business registration clinics were held in collaboration with UNRSB and URA. The coalition effort now includes the Ministry of Agriculture and district local governments to work towards a streamlined business registration process for agro-dealers, to ensure that trading licenses are not issued until all legal requirements have been met. This coordinated effort was initially launched in Kampala with significant success, and will soon be rolled out country-wide.

- To pave the way for a more coordinated effort for Y4, individual level meetings have been held with national level stakeholders. These stakeholders include URA, URSB, UNADA, MAAIF, and Agriculture Police and Ministry of Trade. In addition, various implementing partners including the Enabling

Environment Activity and the Commodity Production and Marketing Activity have also been involved in these discussions. A national level grand coalition meeting involving all the above stakeholders was held to coordinate joint planning.

At the district level, stakeholder meetings have taken place in Mubende, Mityana, Kasese, Iganga, Kamuli, Mbale, and Masaka to spur local interest and participation in issues surrounding regulatory compliance.

Thematic Area 3: Professionalizing SSPs and Agro-dealers

The SSP taskforce generated and documented the background & status quo with regards to spray service providers in Feed the Future districts and began developing a roster of all operating SSPs and implementing partners/stakeholders that support SSP efforts. Various meetings and consultations were held with CropLife to review its proposed strategic plan and secondary information from the Zambia PROFIT project and a cocoa project in Ghana. The taskforce engaged stakeholders and potential collaborators including the Enabling Environment Activity and the Commodity Production and Marketing Activity, MAAIF, IFDC, and CLUSA to understand their activities in support of SSPs. The Activity facilitated a stakeholder coalition breakfast meeting presenting the general strategy and activities for FY 2016. Follow - up meetings are expected to obtain firm commitment from potential collaborators so that the plan can be finalized. Additionally, the Activity's field team collected information on the current status of active SSPs, certified agro-dealers, and the nature of their connections and past training.

FEED THE FUTURE UGANDA AG-INPUTS ACTIVITY SUCCESS STORY ANTI-COUNTERFEIT ACTIONS MAKE HEADWAY IN MBALE



Counterfeiters of ag-inputs have long been able to exploit coordination gaps among local officials and stakeholders, and Eastern Uganda was especially affected. Ag Input counterfeiters opened shops in Mbale to lure unsuspecting farmers, and package and sell grain disguised as seed. The Feed the Future Uganda Ag-Inputs Activity has been facilitating stronger coordination efforts among stakeholders. In March 2015, the Activity brought District Agricultural Officers (DAOs), agro-dealers, civil society, and media from five districts in the region together to inspire cooperation and learning. Actions taken as a result of this meeting include municipal and district governments taking more stringent measures to monitor new and existing agro-dealers; training

farmers to identify counterfeits; and marketing the anti-counterfeit hotline through local radio stations. This has led to:

- ✓ Better coordination and information sharing between districts making it difficult for counterfeiters to shift from one district to another.
- ✓ Increased coordination and trust between enforcement agencies and Agricultural Officers
- ✓ Information obtained from counterfeit purchases is shared among local authorities to improve inspection
- ✓ The municipal local government is sharing information on store ownership and content with agricultural officers at the district to ensure that agro-dealers are not hiding counterfeits in unmarked buildings.

As a result of these interventions, the DAO in Mbale followed up on a tip-off and worked with local authorities to impound a truck with expired fertilizer originating from Europe worth over USD \$50,000. With various stakeholders working in unison, they were able to prevent these counterfeits from entering the market. The Activity will continue to encourage coordination and communication in the campaign against counterfeit inputs, so that success stories like this one in Mbale will become more frequent and inspire other local leaders to take similar action.

Thematic Area 4: Financing the Agricultural Inputs Sector

The Activity commissioned the services of a consultant to conduct a financing needs assessment of actors in the sector and to work with interested financial institutions in Uganda to develop sector specific working capital finance products. RACIDS Agriculture was contracted, and interim findings showed that currently, there are no appropriately customized products that meet the unique needs of the ag inputs sector, especially seed companies.

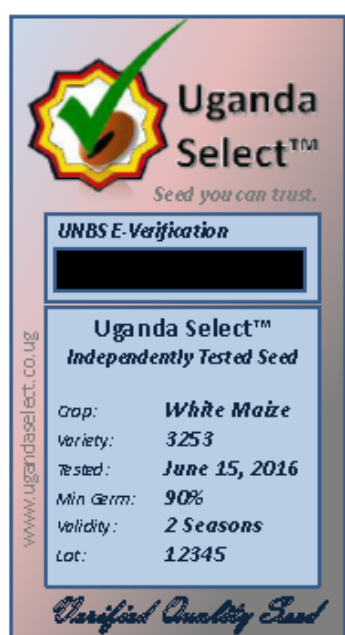
The Activity also organized two financial simulation trainings by Lattice Consulting and Eco Ventures International, training 20 senior managers from ten seed companies and 21 agro-dealers in financial management, respectively. This was a practical intervention that provided skills in business planning, managing finances, proper record keeping, accessing and managing credit, and budgeting. The simulation exercise was videotaped to facilitate sharing the approach with other development stakeholders, and replicating the approach with future beneficiaries.

Thematic Area 5: Alternative distribution channels

A survey was carried out among input suppliers of seed and agro-chemicals to understand their current distribution channels in seven Feed the Future districts. A summary of the findings is presented in Table 7 and was used to guide discussions with stakeholders. The next step will be to conduct a cost-benefit analysis of alternative distribution models.

Table 7: Results from the Input Supplier Survey

Suppliers	Agro-dealers
<ul style="list-style-type: none">17 businesses were surveyed (6 chemical, 9 seed, and 2 equipment companies).Chemical companies mainly sell to agro-dealers (52% of stock). 30% through cooperatives and associations.Seed companies mainly sell to government (54% of stock sold to government).Only 17% of seed is sold through agro-dealers.	<ul style="list-style-type: none">71 businesses were surveyed.99% of businesses sell directly to farmers. They also sell to stockists (85%), associations (49%), and cooperatives (24%).The main distribution channel is directly to farmers (67%).Most agro-dealers claim to buy direct from trusted suppliers to ensure quality; nonetheless, counterfeits abound.



Thematic Area 6: Seed Quality and Certification

A feasibility study/needs assessment was conducted by Heartland Global to design a private sector seed certification system. The study found that the proposed partnership between Chemiphar and UgoCert lacked field inspection capacity.

An alternative model was proposed whereby key seed companies⁷ with a commitment to quality would form an umbrella company to provide private sector inspection services that meet COMESA Seed Harmonization standards, and offer a third party verified quality mark for seed. The proposed mark is "Uganda Select". The quality mark should be fully integrated into the e-Verification campaign.

After capacity building and audit oversight provided by Heartland Global, Chemiphar and UgoCert will be contracted to provide lab testing and field inspection services respectively. A training curriculum has been designed. A full business plan has been finalized for presentation to potential companies for buy-in.

⁷ Five of the largest companies, comprising 70% of the maize seed market in Uganda, have already expressed interest pending the results of the business plan.

LESSONS LEARNED DURING YEAR 3

- Communication and training in climate change should be simplified using less scientific jargon. Farmers appreciate language which is directly relevant to their daily experiences. This can be accomplished through demonstration sites, exposure visits to farmer sites, developing linkages to affordable and resilient technology packages, and involving local government agencies as advocates of climate smart farming techniques within communities. In addition, farmers need to be provided with good market information to take advantage of improved productivity resulting from the adoption of climate smart farming practices.
- Adoption of new business practices requires a shift in the perceptions of the target audience, which is challenging when the incentives are stacked against improved practices. The Activity will continue to utilize available opportunities whenever possible to demonstrate the business case for customer service business strategies. In parallel, the Activity will also design coordinated strategies to change incentive structures to encourage the adoption of more profitable customer service practices and to discourage competition based solely on price, to the detriment of quality and customer service.
- Although the Activity initially focused on the core agro –input supply chain, the Activity has realized the need to increase emphasis on demand creation, to educate farmers about the benefits of new technologies, the dangers of counterfeits, and returns from adopting and using quality products. Such promotional efforts go beyond the scope of any individual private sector actor. To this end, the Activity will put an emphasis on media campaigns in Y4 to reach larger audiences, and on the formation of effective alliances and coalitions to increase pressure and advocate for better services in the agro-input industry.
- Given the poor financial management and record keeping culture of market actors, the Activity has observed that experiential training and simulations enhance learning and retention of key concepts, as participants learn by doing. This was clearly demonstrated during the financial management simulation training for senior seed company managers in Kampala and agro-dealers in Masaka. The Activity is exploring options to introduce more experiential training opportunities for all players in the supply chain in Y4.
- Working capital finance for seed companies needs to incorporate crop insurance if banks are to have increased confidence in the sector.
- To ensure compliance with regulatory requirements and efficient resource utilization, coordination between MAAIF, URSB, URA, DLGs and industry associations is absolutely necessary in order to form a common front to sensitize agro dealers about the value of business formalization, as well as to support compliance with new policies. The Activity will continue to facilitate the process. Encouraging businesses to be compliant will help weed out unscrupulous traders so that the supply chain players will have the incentive to invest in CSBS.
- Awareness and efforts in the anti-counterfeit campaign are growing with an increasing number of voices coming on board. For anti- counterfeiting efforts to bear fruit, there is a need to package anti-counterfeiting messages and related promotional materials uniformly, create a common training curriculum for target groups (e.g. farmers, DFAs, dealers, and agricultural police) and develop common anti-counterfeits language to be included in each organization's code of conduct. District level anti-counterfeiting champions and committees are a key first step in the fight against counterfeit inputs.
- MAAIF has the mandate to ensure the quality and standards of agricultural inputs. Therefore, it is important that e-Verification implementation involves them at each step of the process.
- To improve the quality of seed in the local Ugandan market and increase opportunities for exporting seed, a private sector led approach to field inspection services and laboratory testing is key. The existing Public Private Partnerships (PPP) Law in Uganda can be used to facilitate private sector participation in seed inspections and certifications. However, the roles of different players must be clearly defined to allow for proper accountability and coordination. Building the capacity of NSCS, seed companies, private inspection companies, and laboratories will be crucial for the proper functioning of the PPP. Government's focus should be on auditing and supervising the private sector to provide the bulk of these services.

ACTIVITY MANAGEMENT

CHALLENGES AND CRITICAL CONSTRAINTS

- Seed sector work was delayed somewhat by the transition to a new Chief of Party in Q1, and the need to identify suitable consultants to conduct the seed sector assessment.
- One critical constraint faced by the Activity in Y3 was related to the establishment of the e-Verification system. Startup was delayed by the need to coordinate closely with UNBS and the MAAIF while ensuring presence of a qualified private sector service provider with a proven track record. The USAID Economic Growth Team was actively involved in these negotiations and provided valuable support leading to the initiation of the service in Q4 FY 2015.
- GOU seed purchases and handouts through Operation Wealth Creation continue to distort the market and add additional counterfeit pressures.

PERSONNEL MANAGEMENT

To promote learning among staff and to maintain moral and motivation, all field staff were rotated to new sites in the first quarter of FY15. The original Chief of Party (COP) Eric Derks returned to the US in December 2014, and was successfully replaced by long time Uganda agro-inputs specialist Rita Laker Ojok. A Business Growth Specialist, Seed Sector Specialist, and Driver were recruited in Q2, to support the new seed sector strategy. The M&E specialist resigned in September, and a suitable replacement has been identified. A team building event was held in collaboration with CPMA and EEA, which will result in improved coordination and communication between teams and team members. As a result of the strategic assessment, staff were reorganized from three teams (role models, support systems and networks and noise) into seven thematic teams. The Organizational Chart for the Activity is presented in Annex 2.

SUBCONTRACTORS

The Activity significantly increased the use of subcontractors this year. The Activity increased the utilization of an existing subcontract with Adam Smith International to support Systemic M&E activities and to support the Networks & Noise team to develop the communications strategy. The subcontract with JE Austin provided the seed sector consultants who developed the Seed Sector Strategy. New subcontracts were negotiated to implement a number of tasks, as described in Table 9.

Table 9: Y3 Subcontractors and Tasks

Task	Subcontractor
Ag Inputs Web Platform	Agri Experience Ltd.
Seed Sector Financial Training	Lattice Consulting Ltd.
Strategic Review	Le Big Dump LLC
Seed Sector Finance Assessment	RACIDS International Ltd.
Agri-Dealer Simulation Training	Eco-Ventures International
Feasibility Study and Business Plan for Private Sector Seed Certification	Heartland Global

CONTRACT MODIFICATIONS AND AMENDMENTS

- The contract was increased on September 29, 2014 from \$7,499,773 to \$10,014,378. Increased funds will be used to support additional activities to increase the quantity and quality of improved maize and bean seed produced in Uganda.
- The annual work plan addendum for the seed sector was approved in Quarter 2 of FY 2015. There have been no other contract modifications or amendments.

DELIVERABLES DURING THE YEAR

The following deliverables were submitted in Year 3:

- The Year 3 Quarter 1 Report was submitted on February 2, 2015. An extension of the date for final submission was granted by USAID to allow for seed sector planning.
- The Annual Work Plan Addendum for the Seed Sector was submitted on February 17, 2015. The deadline for submission was formally approved by USAID.
- An updated communication strategy was developed and shared with USAID in March 2015.
- The Year 3 Quarter 2 Report was submitted on April 30, 2015.
- The Year 3 Quarter 3 Report was submitted on July 30, 2015.
- The Year 4 Annual Work Plan and Final Sustainability Plan were submitted on September 30, 2015.
- The Year 3 Annual Report was submitted on November 2, 2015.

FINANCIAL MANAGEMENT

Cumulatively, the Activity has spent 51% of the revised budget. Table 8 presents financial expenditures for Year 3 and cumulative expenditure through Year 3.

Table 8: Y3 and Cumulative Financial Expenditures

	Expenditures through September 2014	Expenditures Year 3	Total Expenditures	Total Modified Budget	Percent Expensed
Labor and Fringe	\$1,007,425	\$649,471	\$1,656,896	\$3,742,940	44%
Other Direct Costs	\$863,444	\$711,747	\$1,575,191	\$2,324,805	68%
Subcontracts	\$138,398	\$389,568	\$527,966	\$1,260,345	42%
Indirect Costs	\$596,831	\$449,591	\$1,046,422	\$2,119,436	49%
Fixed Fee	\$156,366	\$132,026	\$288,392	\$566,852	51%
Total:	\$ 2,762,463	\$2,332,402	\$5,094,866	\$10,014,378	51%

In September the USAID funding obligation was increased by \$2 million and now stands at \$7,091,000.00.

ANNEX 1: PROGRESS M&E SUMMARY STATISTICS

In addition to contractual PMP indicators, the project has established internal outcomes and indicators with targets for the Role Models, Support Systems, and Networks and Noise teams. These targets and outcomes contribute to the achievement of PMP indicators presented in the Results Framework in Table 2 above. The Activity refers to these internal outcomes as Progress M&E. The following table tracks achievements against these internal targets.

Strategic Outcome	Outcome	Indicator	Y2 Actual	Y3 Actual	Target Y3	Percent Achieved
ROLE MODEL TEAM						
SO1: Extending technical, marketing and promotional support as an integral part of the firms' CSBS	1.1: Input supplier & wholesalers strengthen distributor relationships	# Suppliers managing a Preferred Distributor Program (PDP)	4	8	10	80%
		# Wholesalers receiving more than the minimum level of services from the suppliers managing a PDP	5	35	50	70%
		# Wholesalers managing a PDP with their network of retailers	15	12	35	34%
		# Retailers receiving more than the minimum level of services from wholesalers managing a PDP	38	48	105	46%
	1.2: Equipment Suppliers provide technical & marketing support to wholesalers as an integral part of their CSBS	# Equipment suppliers providing support to wholesalers	0	4	5	80%
		# Joint marketing and promotional events by the supplier and wholesaler	0	20	10	200%
SO2: Improve management systems	2.1: Input suppliers and wholesalers improve/expand and utilize Customer Management Systems	# Wholesalers utilizing customer management systems (CMS)	42	57	50	114%
		# Suppliers utilizing customer management systems	0	4	10	40%
SO2: Improve management systems continued	2.2: Agro-input wholesalers recruit and manage the performance of new staff or interns to serve customers better	# Wholesalers and retailers managing new staff or interns	NA	7	20	35%
		# New staff or interns managed by wholesalers and retailers	NA	10	20	50%
		# Wholesalers developing financial and inventory controls	NA	7	10	70%
		# Suppliers providing technical support to wholesalers or retailers in managing new staff	NA	1	10	10%
	2.3: Support suppliers ⁸ to offer quality assurance and reduce counterfeits	# Ag-input firms utilizing the e-Verification scheme.	0	0	8	0%
		# Units with an e-Verification label	0	0	400,000	0%
		% Units authenticated	0	0	50%	0%
SO3: Wholesalers expand their products	3.1: Wholesalers sell labor saving production and post-harvest equipment	# Wholesalers providing services for mechanized or post-harvest equipment	NA	8	20	40%

⁸ The e-Verification delayed and was not able to roll out before the end of Y4. It is on track to launch in November 2015.

Strategic Outcome	Outcome	Indicator	Y2 Actual	Y3 Actual	Target Y3	Percent Achieved
and service offering to increase value to customers as part of their CSBS	3.2: Wholesalers enrich and expand value added services (e.g. spray services) to maximize customer satisfaction	# Wholesalers promoting and deploying SSP to provide spray services to farmers	14	13	20	65%
		# Retailers promoting and deploying SSP to provide spray services to farmers	6	8	15	53%
		# SSP deployed by wholesalers or retailers to provide spraying services to farmers	31	35	60	58%
		# of deployments of SSP by wholesalers or retailers	343	144	960	15%
	3.3: Wholesalers provide technical support and quality inputs to traders	# Wholesalers supporting coffee and maize traders (disaggregated by type of support)	NA	4	10	40%
SUPPORT SYSTEMS TEAM						
SO1: GoU Entities Support CSBS	1.1: Agro-input Businesses meet legal compliance requirements	# Agro-input businesses that have registered their businesses with the Activity's support	NA	20		
	1.2: GoU entities offer technical backstopping	# Districts where LG officials are providing technical backstopping support to efforts of agro-input and support system firms	14	19	19	100%
		# District Operational Plan meetings attended	7	23	40	58%
SO2: Stakeholder Associations support agro-dealers' CSBS	2.1: Industry Associations develop commercially viable member services	# Industry associations providing viable member services to businesses	NA	3	3	100%
	2.2: District Associations support members' CSBS	# Local agro-input dealers' associations providing viable member services to businesses	4	6	8	75%
		# New member / continuing services provided by the associations	2	14	16	88%
	2.3: Professional Associations	# Professional associations providing viable member services to businesses	NA	1	1	100%
SO3: Business Development Service firms provide CSBS support services to agro-input businesses	3.1: Financial institutions provide services to agro-input firms	# Financial institutions providing new debt and equity to seed companies	NA	0	2	0%
		# Seed companies taking on new working capital and asset financing.	NA	0	2	0%
	3.2: ICT firms provide communications and operational improvement services	# ICT firms providing business improvement solutions to agro-input firms.	14	9	20	45%
		# Agro-input firms who are clients of ICT firms	21	10	40	25%
		# Bulk SMS aggregators who have developed and have ongoing agreements with up-country affiliates	1	1	3	33%
		# Up-country Bulk SMS affiliates with agreements with SMS aggregators	6	5	15	33%

Strategic Outcome	Outcome	Indicator	Y2 Actual	Y3 Actual	Target Y3	Percent Achieved
	3.3: Tertiary institutions develop market oriented internship programs	# Tertiary educational institutions that have developed and promoted students internship programs	NA	6	6	100%
		# Interns placed with seed companies and other ag-input firms	NA	49	20	245%
		# Tertiary educational institutions with more collaborative solutions with seed companies	NA	0	2	0%
SO4: Climate smart and environmentally friendly customer solutions		# Private sector players disseminating climate change information through various channels	15	82	90	91%
NETWORKS AND NOISE TEAM						
SO1: Reduction in the prevalence of agro-inputs counterfeits	1.1 Anti-counterfeit hotline	# Calls reporting agro-input counterfeits	164	1742		
		# of meetings held by advisory council to discuss issues generated by anti-counterfeit hotline	0	2	4	50%
		# hotline reports that are shared with stakeholders	0	2	4	50%
SO4. Communications Activities including networks and media platforms actively contribute to promotion of CSBS best practices.	4.1 Radio stations continue to improve their agribusiness audience-led programming	# Stations airing ag-related audience-led / consumer protection programs	8	15	14	107%
		# National media houses develop and/or enhance ag-related audience-led programs.	NA	3	3	100%
		# of agribusiness programs aired	NA	313	400	78%
		Estimated listenership of ag-related audience-led / consumer protection programs	NA	20,000		
		Estimated cost-recovery of audience-led and/or consumer protection programs	58%	62%	65%	95%
		# radio stations engaging / forming listenership groups	8	11	7	157%
		# of listenership groups engaged / formed by radio stations	NA	73	25	292%
	4.2 Utilization of communication platforms to showcase and promote best practices	# Business network meetings on CSBS	19	32	30	106%
		# Participants	156	226	300	75%
		# Consumer network meetings on customer service and genuine products in agro-inputs industry	14	9	70	13%
		# Participants	416	252	1,400	18%
		# Ag Content Café meetings held	21	16	30	53%
		# Participants	138	179	200	90%

ANNEX 2: REVISED ORGANIZATION CHART

Note: This revised org-chart includes new seed sector personnel

Name	Location	Title
Rita Laker-Ojok	Kampala	Chief of Party

Marion Kyomuhendo	Networks & Noise	Kampala	Communications & Media Specialist
Ronald Wankya	Networks & Noise/ Field Team	Kampala	Field Team Leader

Ronald Rwakigumba	Mbale	Business Growth Specialist (BGS)
Nelson Mugabi Kamira	Masaka	Business Growth Specialist (BGS)
Brian Ariho	Mbarara	Business Growth Specialist (BGS)
Lawrence Adia	Masindi	Business Growth Specialist (BGS)
Mary Kobusingye	Iganga	Business Growth Specialist (BGS)
Josephine Munduru	Lira	Business Growth Specialist (BGS)
Ronald Byakika	Mubende	Business Growth Specialist (BGS)

Andrew Gita	Role Model Team	Kampala	Business Management Specialist
Caroline Kahamutima	Role Model Team	Kampala	Business Management Specialist

Stephen Muhangi	Support Systems	Kampala	System Support Specialist
Robert Katende	Support Systems	Kampala	System Support Specialist

Robert Ejiku	Seed Support	Kampala	Seed Sector Specialist
--------------	--------------	---------	------------------------

TBD	M&E Unit	Kampala	M&E Specialist
Nina Karungi Tibaleka	M&E Unit	Kampala	Systemic M&E Investigative Specialist
Gladys Naluzze	M&E Unit	Kampala	Systemic M&E Assistant

Juliet Tuhirirwe	Admin Support	Kampala	Finance & Admin Manager
------------------	---------------	---------	-------------------------

Mary Muhumuza	Admin Support	Kampala	Accountant
Phionah Nantambi	Admin Support	Kampala	Logistics/Front Desk Officer
Andrew Lubega	Admin Support	Kampala	Driver
James K Kamoga	Admin Support	Kampala	Driver
Joshua Katiko	Admin Support	Kampala	Driver
William Serubiri	Admin Support	Kampala	Driver

ANNEX 3: FEED THE FUTURE UGANDA AG-INPUTS DISTRICT COVERAGE TARGET ZONES

The Ag-Inputs Activity is implemented in 18 Feed the Future focus districts. In addition, the Activity is also impacting stakeholders and generating secondary results in adjacent Feed the Future target markets, as business networks managed by Activity target firms extend into neighboring areas, which include Amuria, Bukomansimbi, Bulambuli, Kaberemaido, Lwengo, Mityana, Sembabule, and Serere⁹. As a result, the Activity currently anticipates improving ag-input quality and quantity in a total of 29 districts (18 Feed the Future districts, and 11 non Feed the Future districts).

SN	DISTRICT	Feed the Future	Feed the Future Adjacent markets	Field station	Radio stations
1	Amuria		X		
2	Bukomansimbi		X		
3	Bulambuli		X		
4	Bushenyi	X			X
5	Gulu	X			X
6	Ibanda	X			
7	Iganga	X		X	X
8	Jinja	X			
9	Kabale	X			
10	Kaberemaido		X		
11	Kampala		X		X
12	Kamuli	X			X
13	Kapchorwa	X			
14	Kasese	X			X
15	Lira	X		X	
16	Luwero	X			
17	Lwengo		X		
18	Masaka	X		X	X
19	Masindi	X		X	X
20	Mayuge	X			
21	Mbale	X		X	X
22	Mbarara		X	X	
23	Mityana		X		X
24	Mubende	X		X	X
25	Rakai	X			
26	Sembabule		X		
27	Serere		X		
28	Sironko	X			
29	Soroti		X		
		18	11	7	11

⁹ While these are not Feed the Future districts, they are areas with strong links to national private sector input suppliers or with wholesalers that serve as major sources of agricultural inputs for smaller retailers in neighboring Feed the Future focus districts. Because this project employs a market facilitation approach to strengthen private sector linkages all along the agro-input distribution chain, it is not possible to limit activities or anticipated impacts to Feed the Future districts. Businesses and private sector actors work inside and outside of Feed the Future target zones.

ANNEX 4: SUCCESS STORIES

Four success stories were developed and submitted to USAID/Uganda with this report:

1. Saved on the Verge of Collapse
2. The Magic of A Distributor Network
3. Counting Success One by One
4. Climate Smart Cabbage

SAVED AT THE VERGE OF COLLAPSE

After only two years in business, an agricultural inputs business woman in Iganga town was closing shop. It had been a difficult two years of work, with nothing to show for it. After years of saving hard earned money to set up the business, and it looked like it had all come to naught.

For Ramulla Madina, the woman behind Kambuzi Enterprises Ltd, it was a depressing thought. Where had she gone wrong? She had previously worked in a successful business that had inspired her to open her own shop.



“Selling agricultural inputs was a dream I had held for so long. I had worked at Sukura Agro Supplies Ltd as a sales person and I came to learn that investing in agribusiness was safer than investing in any other business, because investing in agribusiness is investing in food. There is not going to be a time when people stop eating. It is safe,” Ramulla says.

“But I was in for a rude shock. In less than a year of starting the business, I realized I was draining all my savings down into a bottomless pit. I was so sad,” she adds. Ramulla says that her biggest challenge was getting customers and keeping them.

“I never kept any records at all. I made no effort to promote my business. Day in and day out, I sat there waiting for customers to walk into my shop and only a handful came,” she recalls. “Until today, I did not know what I was doing wrong. The few customers who came to my shop would just go away after a short while. I had never been so frustrated in my life”.

Assistance from Feed the Future

Ramulla experienced these challenges for two years until she started working with the Feed the Future Uganda Agricultural Inputs Activity in 2013. Since then her success has been phenomenal. Kambuzi Enterprises Ltd. was introduced to a Customer Management System that captures customer data, which helped Ramulla identify and build sustainable relationships with her customers. It has brought new life into her business, and turned things around financially.

“If you send a short text message to a farmer, you are likely to get a response because the farmer will know you care about her,” explains Ramulla.

Indeed, managing customer relationships is one of the most effective ways of increasing customer loyalty and retaining existing customers. It is cheaper and easier to cross-sell or up-sell a current client than acquiring and making a sale to a new one. This is possible with a database of customers. The analysis and use of a customer database creates information that is vital for decision making and strengthening relationships and services to customers, for instance after sales marketing and promotion to loyal customers, and providing technical support and after-sales services.

Kambuzi Enterprises Ltd. is part of a growing number of agricultural inputs dealers in selected districts in Uganda that are being targeted by the USAID/Uganda-funded five-year Feed the Future Uganda Agricultural Inputs Activity. Launched in November 2012, the Activity, implemented by Tetra Tech, aims to increase the use of high quality agricultural inputs in the country and reduce the prevalence of counterfeit agriculture inputs on the market in Uganda.

Kambuzi Enterprises Ltd. stands out as a role model in Iganga District and Ramulla has expanded her services to Kaliro, Bugiri, Mayuge, and Namayingo districts in Eastern Uganda. The business also has six affiliated active stockists (village agents) spread across small towns in Eastern Uganda.

Feed the Future Impact

Kambuzi now has an average capital of 80 million Uganda shillings and stocks agriculture inputs including seeds, chemicals, and equipment. The business directly employs three workers that attend to operations, customer service, and marketing.



"I use customer contacts to market and promote my business. For instance, I was able to send 500 SMS's to my clients because I had their contacts in my customer book", says Ramulla.

Kambuzi Enterprises Ltd maintains a book where customer details are recorded. The book captures customers' personal details, location, type (farmer or stockist), products purchased, contact information (telephone number and e-mail), product preferences, and general information.

The business also partners with Honey Well, an ICT company, which promotes new products and services using SMS. By using the SMS service to reach her customers, the business was able to save 20% of the total amount spent on marketing and sales promotion, as customers are able to receive messages directly on their mobile phones. As a result, the business is able to save time and resources that would have ordinarily been spent on more costly promotion activities.

Using Ramulla as a role model, by the end of the Feed the Future Uganda Agricultural Inputs Activity in 2017, more and more businesses like Kambuzi Enterprises Ltd will improve their internal processes and systems to deliver better customer service to clients. This will attract more farmers to buy and use quality agricultural inputs.



FEED THE FUTURE

The U.S. Government's Global Hunger & Food Security Initiative

THE MAGIC OF DISTRIBUTOR NETWORKS



Many companies spend over 30% of their income building distribution systems to deliver their products to intended customers. Agricultural input companies in Uganda are concentrated in the capital city of Kampala; yet over 80% of farmers are scattered in villages, creating an accessibility gap.

Traditionally, agricultural input companies have relied heavily on a passive distribution system where stockists and retailers come to the factory or distribution center in a major town and buy in bulk.

Assistance from Feed the Future

Launched in November 2012, the USAID/Uganda-funded Feed the Future Agricultural Inputs Activity implemented by Tetra Tech, aims to increase the prevalence of high quality agricultural inputs in the country and reduce the prevalence of counterfeit agriculture inputs on the market in Uganda. To close this accessibility gap, the Activity facilitates agro-dealer fairs and networking events.

Bukoola Chemical Industries Ltd, one of the oldest and largest agrochemical distributing companies in Uganda, experienced a gap with agricultural inputs dealers at regional and district level towns. “We have grown our network of agro-dealers from 700 to 1,200 dealers in the last two years,” states Solomon Seruwo, the Agriculture Technical Representative for Bukoola Chemical Industries Ltd.

At the agro-dealer fairs, Bukoola Industries Ltd screened and selected agro-dealers from different regions of Uganda to stock and distribute the company’s products to local dealers and retailers. This has increased the company’s presence in rural villages and towns, contributing to the company’s dream to become the leading importer and distributor of quality and affordable crop protection products in Uganda.

The company started as a general merchandise family business in 1973. It has now grown into an agrochemical business with a wide range of products including herbicides, insecticides, fertilizers, fungicides, and bio-products.

Feed the Future Impact

“Our general sales have increased by over 10% in the last two years as a result of an expanded network of agro-dealers stocking our products, and increased product knowledge by dealers. This has been made possible through agro-dealer fairs and networking events facilitated by the Feed the Future Uganda Agricultural Inputs Activity,” says Solomon.

Improvements in business performance have motivated the company to invest in agro-dealers through trainings in business management, record keeping, and product stewardship. The business also invests in marketing and promotion of agro-dealers through radio advertising.

“I thank Bukoola Chemical Industries for advertising my business on CBS radio. I now get more customers asking me for specific Bukoola products” mentions Walakira Loysius of Lusaka Trading Store in Rakai District.



FEED THE FUTURE

The U.S. Government's Global Hunger & Food Security Initiative



Before the Feed the Future program, farmers would buy agrochemicals but become disappointed by the lack of results, because they did not know how to use products properly. Farmers would then lose confidence in agrochemicals. According to Solomon, trainings organized by Bukoola Chemical Industries have increased product knowledge, and have increased farmers' confidence in the products, as well as increased farmers' capacity to use and dispose of farm chemicals safely.

Solomon believes that by building the capacity of agro-input dealers to perform basic diagnosis of diseases and symptoms, they will further win over farmer confidence which will increase farmers' use of agricultural inputs.

The Feed the Future Uganda Agricultural Inputs Activity will continue to draw upon success stories such as with Bukoola Chemical Industries with agro-dealer fairs and networking events to increase the use of agricultural inputs and decrease the prevalence of counterfeit agricultural inputs in the market.

www.feedthefuture.gov

COUNTING SUCCESS ONE BY ONE

After just seven months in business, Avemaria Farm Supply Ltd. has been counting success one by one, which the business attributes to its commitment to learning and innovation.

Avemaria Farm Supply Ltd. is a new business, started by a young, energetic youth named Joseph Kadoka, who serves as its director. Joseph says he owes his current success to implementing a computerized inventory management system.

"I used to stock products based on my perception of the market and this led me to have stock that was not moving. I used to have cash flow problems because much of the money would be held in stock," Joseph recalls.



Feed the Future Impact

Joseph purchased an inventory system to help him maintain stock based on actual customer demand. The system records customer categories, product purchases, sales, and current stock. This has helped the business manage its inventory and stock the right inputs at the right time.

"Through the advice I got from the Feed the Future Uganda Agricultural Inputs Activity and the linkage with the Uganda Registration Services Bureau, I registered my business with the registrar of companies. As a result, I am now a proud owner of a limited company," says Joseph.

Joseph opened a company account with Crane Bank and is now able to deposit daily sales receipts. He explains, "Ever since I opened a company account, I have formalized all my transactions through the bank. I pay suppliers using bank checks and I deposit all daily sales, which are reflected in my financial statement. This will help me in the future when I plan to get a loan."

Launched in November 2012, the five-year USAID/Uganda-funded Feed the Future Uganda Agricultural Inputs Activity, implemented by Tetra Tech, aims to increase the use of high quality agricultural inputs in the country and reduce the prevalence of counterfeit agriculture inputs on the market in Uganda. The Activity seeks to formalize agro-dealer businesses transactions and internal management systems which will lead to better service provision to farmers and contribute to the increased uptake of agricultural inputs in Uganda.

The Activity promotes successful businesses such as Avemaria Farm Supply Ltd. as a role model business, whose success other businesses in the agricultural inputs industry can emulate.

www.feedthefuture.gov



USAID
FROM THE AMERICAN PEOPLE



TETRA TECH

CLIMATE SMART CABBAGE

Climate change is one of the greatest challenges affecting the world today. As the world's climate continues to change at rates unprecedented in recent human history, the impacts and risks related to these changes are affecting farmers' livelihoods.

Uganda is vulnerable to climate change impacts, especially in terms of increased frequency and intensity of rainfall, heat waves, prolonged droughts, floods, and storms.

Feed the Future Impact

Magumba Sylvester, a vegetable farmer in Wairama village in Iganga district, has felt the harsh impact of climate change personally. Magumba dreamed of expanding his business, but due to droughts and irregular rainfall, much of the money he would have spent growing his business went to labor for watering his crops. He explains, "Two acres of cabbage was not enough for my dream. I spent a lot of money paying workers to water my cabbage. I was financially constrained and could not expand my garden."



Launched in November 2012, the five-year USAID/Uganda-funded Feed the Future Uganda Agricultural Inputs Activity, implemented by Tetra Tech, aims to increase the use of availability of quality agricultural inputs in the country and reduce the prevalence of counterfeit agriculture inputs on the market in Uganda. The Activity facilitates linkages between input suppliers, stockists, and farmers. The Activity facilitated an irrigation equipment demonstration in Wairama Village with Sembeguya Estates, an agro-equipment supplier company, and Kambuzi Enterprises Ltd, a local agent.

"We were able to organize demonstration and promotion activities of irrigation equipment in the village. The area had a number of promising farmers that were very affected by prolonged drought," says Ramura Madina, Managing Director of Kambuzi Enterprises Ltd.

Magumba attended the demonstration and learned to use the equipment, as well as safe handling procedures. He was so impressed that he immediately purchased the irrigation equipment, and he has been very satisfied with it. Using this equipment, he has been able to expand his plot from two to five acres. He plans to double that to 10 acres by the end of 2015, and become the leading supplier of cabbages in Iganga district. Magumba explains his disappointment when he previously purchased equipment from unidentified retailers, "I bought irrigation machines twice in Kampala and they could only work for one month. I thank Feed the Future for thinking about us and bringing the demonstration to this village."



FEED THE FUTURE

The U.S. Government's Global Hunger & Food Security Initiative



Magumba has also reduced labor costs by 80%, and his farm is now profitable. He has offered to teach other farmers in the district how to use irrigation equipment, in combination with other climate smart practices. He believes that irrigation is the best solution to address prolonged droughts and ensure year round production.

The Activity plans to use success stories such as Magumba's to further increase linkages among farmers, suppliers, and stockists in Uganda so that more farmers can practice climate smart farming and improve their livelihoods.

www.feedthefuture.gov

ANNEX 5: AG INPUTS PARTNERS

LIST OF PARTNERS & COLLABORATING ORGANISATIONS WITH FEED THE FUTURE UGANDA AGRICULTURAL INPUTS ACTIVITY

Name of organization		Type of Organization	Relationship with the Activity
1.	Crop Life Uganda	Industry Association	Partner
2.	Uganda National Agro inputs Association (UNADA)	Industry Association	Partner
3.	Uganda Seed Trade Association (USTA)	Industry Association	Partner
4.	Ministry of Agriculture Animal Industry and Fisheries (MAAIF)	Government Ministry	Partner
5.	Ministry of Trade, Cooperatives and Industries	Government Ministry	Partner
6.	Uganda Private Sector Foundation	Government parastatal	Collaboration
7.	Feed the Future Uganda Enabling Environment Activity	Feed the Future Activity	Collaboration
8.	The USAID/Uganda Education and Research to Improve Climate Change Adaptation activity	Feed the Future Activity	Collaboration
9.	Commodity Production and Marketing Activity (CPMA)	Feed the Future activity	Collaboration
10.	Feed the Future Uganda Youth Leadership in Agriculture	Feed the Future Activity	Collaboration
11.	Feed the Future Producer Organization Activity	Feed the Future Activity	Collaboration
12.	Strengthening Decentralization for Sustainability	USAID Project	Collaboration
13.	Integrated Seed Sector Development (ISSD)	International development	Collaboration
14.	International Fertilizer Development Centre (IFDC)	International Development	Collaboration
15.	IFPRI	USAID Contractor e-verification	Collaboration
16.	UGOCERT	Private organization	Partner
17.	CEMIPHAR	Private Organization	Partner
18.	Lutheran World Federation	International Development	Collaboration
19.	Uganda National Farmers Federation	National Farmer Organization	Partner
20.	Uganda National Registration Bureau	Government parastatal	Partner
21.	Uganda Revenue Authority	Government parastatal	Partner
22.	Pearl Seeds	Seed Supply company	Partner
23.	Uganda National Bureau of Standards (UNBS)	Government parastatal	Partner
24.	M-pedigree	Private company	Partner
25.	Brand ID	Private Company	Partner
26.	Simlaw Seeds	Seed Supply Company	Partner
27.	FICA seeds	Seed Supply Company	Partner
28.	Grow More	Seed Supply Company	Partner
29.	East African Seeds	Seed supply company	Partner
30.	NASECO seeds	Seed Supply Company	Partner
31.	ZOEVE Seeds	Seed Supply Company	Collaboration
32.	Bukoola chemical Industries	Agro chemical Company	Partner
33.	Hangzhou Agro Chemicals	Agro chemical Company	Partner
34.	Balton	Agro chemical Company	Collaborator
35.	Ssembeguya Estates	Agro-equipment company	Partner
36.	Masaka District Local Government	Local government	Partner
37.	Mbale Municipal Council	Local government	Collaboration

Name of organization		Type of Organization	Relationship with the Activity
38.	Sironko District Local government	Local government	Partner
39.	Kapchorwa District Local government	Local Government	Partner
40.	Bushenyi District Local government	Local government	Partner
41.	Gulu Local Government	Local government	Partner
42.	Lira Local Government	Local government	Partner
43.	Mbarara Local government	Local government	Partner
44.	Ibanda Local government	Local government	Partner
45.	Kasese Local Government	Local government	Partner
46.	Luwero District Local Government	Local Government	Partner
47.	Masindi District Local Government	Local government	Partner
48.	Mubende District Local government	Local government	Partner
49.	Mityana District Local government	Local government	Partner
50.	Kiboga District Local government	Local government	Partner
51.	Kabale Local government	Local government	Partner
52.	Masaka District Farmers Association	Farmer Association	Partner
53.	Rakai District Farmers Association	Farmer Association	Partner
54.	AgriProFocus,	International development	Collaboration
55.	VECO East Africa	International Development	Collaboration
56.	The Hunger Project	International Development	Collaboration
57.	GIZ	International Development	Collaboration
58.	SNV	International Development	Collaboration
59.	FAO	International Development	Collaboration
60.	Joseph Initiative	International Organization	Collaboration

U.S. Agency for International Development

1300 Pennsylvania Avenue, NW

Washington, DC 20523

Tel: (202) 712-0000

Fax: (202) 216-3524

www.usaid.gov